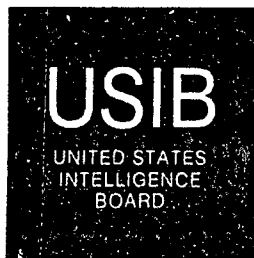


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National Intelligence Bulletin

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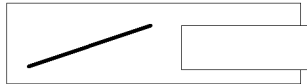
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July 1, 1975

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No 660

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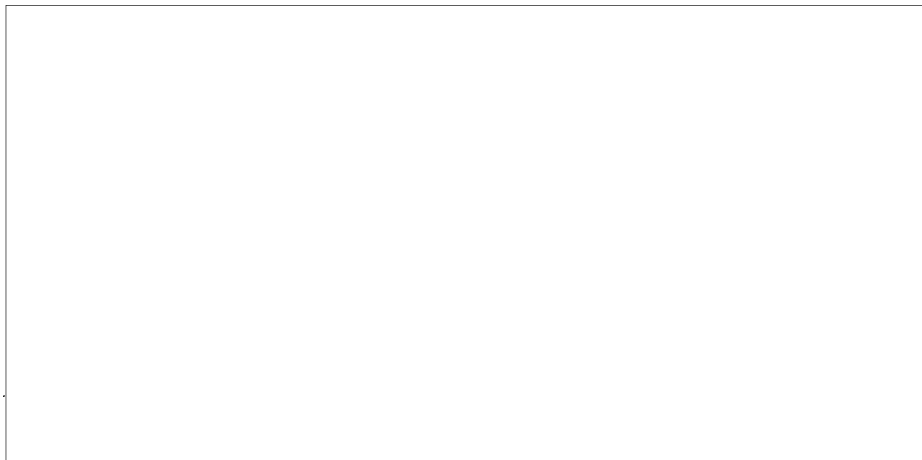
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National Intelligence Bulletin

July 1, 1975

CONTENTS

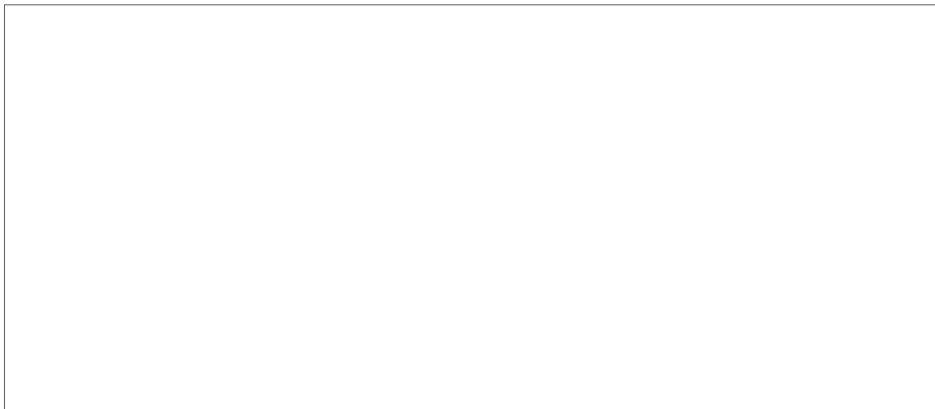
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ARGENTINA: Labor fails to respond to
government's rollback of wage increases

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National Intelligence Bulletin

July 1, 1975

ARGENTINA

The failure of the Argentine labor movement to respond yesterday to the government's rollback of wage increases betrays lack of agreement on how to proceed. Sentiment is strong, however, for a show of force.

Negotiations are continuing and President Peron met with labor leaders last night. General strikes have been called in three provincial cities, but as yet only wild cat strikes are occurring in Buenos Aires.

The administration is not likely to find much support for a showdown with labor. Indeed, presidential adviser Lopez Rega reportedly sought in vain recently for army backing during what could be a prolonged general strike; he was told that the officers would maintain a strictly hands-off policy.

The officers realize they will need labor support in the event they feel obliged to take over the government. Peronist and opposition party congressmen also have been expressing support for labor.

Interior Minister Rocamora, who is threatening to resign, reportedly has cautioned Peronists that Lopez Rega may resort to force against them in an effort to discourage them from opposing Mrs. Peron. Lopez Rega, in fact, is reputed to control the right-wing terrorist Anti-Communist Alliance, which may have been responsible for a bombing attack on Sunday against a relative of the acting secretary general of the Peronist labor confederation. Peronist labor leaders are said to fear further terrorist attacks.

Growing opposition to Mrs. Peron's authority as the head of the Peronist movement was reflected last weekend in a verbal clash between Raul Lastiri—Lopez Rega's intimate and the number-two man in the Peronist party hierarchy—and several key Peronist senators. [redacted]

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